

CHAPMAN AND CUTLER

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January 28, 1998

JAN 28 '98

11-10AM

RECORDATION NO. 21187 FILED
RECORDATION NO. 21187-A, B, C, E FILED

JAN 28 '98

11-10AM

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, D.C. 20423-0001

Re: Union Pacific Railroad Company
Leveraged Lease Locomotive Financing
UPRR 1998-A

Dear Mr. Williams:

I am enclosing for recording pursuant to Section 11301 of Title 49 of the United States Code, three copies of each of the primary documents and the secondary documents described below. As one of the attorneys representing the Lessee in this transaction, I have knowledge of the matters described in this letter.

The primary documents are as follows:

Primary → (1) Memorandum of Lease Agreement (UPRR 1998-A), dated January 29, 1998, between SCL Sky Co., Ltd., as lessor (the "Lessor"), and Union Pacific Railroad Company, as lessee (the "Lessee"); and

A → (2) Memorandum of Mortgage and Security Agreement (UPRR 1998-A), dated January 29, 1998, between the Lessor, as borrower (the "Borrower"), and Harris Trust and Savings Bank, as security trustee (the "Security Trustee").

The secondary documents are as follows:

B → (1) Memorandum of Lease Supplement No. 1 (UPRR 1998-A), dated January 29, 1998, between the Lessee and the Lessor;

C → (2) Memorandum of Mortgage Supplement No. 1 (UPRR 1998-A), dated January 29, 1998, between the Lessor, as Borrower, and the Security Trustee; and

E → (3) Memorandum of Dollar Account Pledge Agreement (UPRR 1998-A), dated January 29, 1998, between Kreditanstalt für Wiederaufbau ("KfW"), as agent (the "Agent"), and the Lessor, as Borrower.

The primary documents to which Memorandum of Lease Supplement No. 1 (UPRR 1998-A) and Memorandum of Mortgage Supplement No. 1 (UPRR 1998-A) are connected are the Memorandum of Lease Agreement (UPRR 1998-A) and the Memorandum of Mortgage and Security Agreement (UPRR 1998-A), respectively, referred to above, which are being submitted for recording concurrently therewith.

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The names and addresses of the parties to the enclosed documents are as follows:

Primary

MEMORANDUM OF LEASE AGREEMENT

Lessee: Union Pacific Railroad Company
1717 Main Street, Suite 5900
Dallas, Texas 75201-4605

Lessor: SCL Sky Co., Ltd.
7-1, Nakase 1-chome
Mihama-ku, Chiba-shi
Chiba, 261 Japan
Attention: Representative Director

A →

MEMORANDUM OF MORTGAGE AND SECURITY AGREEMENT

Borrower: SCL Sky Co., Ltd.
7-1, Nakase 1-chome
Mihama-ku, Chiba-shi
Chiba, 261 Japan
Attention: Representative Director

Security Trustee: Harris Trust and Savings Bank,
as Security Trustee
311 West Monroe Street
Chicago, Illinois 60690

B →

MEMORANDUM OF LEASE SUPPLEMENT NO. 1

Lessee: Union Pacific Railroad Company
1717 Main Street, Suite 5900
Dallas, Texas 75201-4605

Lessor: SCL Sky Co., Ltd.
7-1, Nakase 1-chome
Mihama-ku, Chiba-shi
Chiba, 261 Japan
Attention: Representative Director

C →

MEMORANDUM OF MORTGAGE SUPPLEMENT NO. 1

Borrower: SCL Sky Co., Ltd.
7-1, Nakase 1-chome
Mihama-ku, Chiba-shi
Chiba, 261 Japan
Attention: Representative Director

Security Trustee: Harris Trust and Savings Bank,
as Security Trustee
311 West Monroe Street
Chicago, Illinois 60690

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→ MEMORANDUM OF DOLLAR ACCOUNT PLEDGE AGREEMENT

Borrower: SCL Sky Co., Ltd.
7-1, Nakase 1-chome
Mihama-ku, Chiba-shi
Chiba, 261 Japan
Attention: Representative Director

Agent: Kreditanstalt für Wiederaufbau
Palmengartenstrasse 5-9
60325 Frankfurt am Main, Germany

The description of the equipment covered as of the date hereof by the aforesaid Memorandum of Lease Agreement, Memorandum of Mortgage and Security Agreement, Memorandum of Lease Supplement No. 1, Memorandum of Mortgage Supplement No. 1 and the Memorandum of Dollar Account Pledge Agreement is as set forth on Exhibit A hereto.

A fee of one hundred twenty dollars (\$120.00) is enclosed. Please time and date stamp the enclosed copies of each of the enclosed documents along with the extra copy of this letter as proof of filing and recordation of the enclosed documents and return the original and any extra copies of such documents and this letter not needed by the Board for recordation to:

Karl T. Williams, Esq.
Chapman and Cutler
111 West Monroe
Chicago, Illinois 60603

A short summary of each of the documents to appear in the index follows:

Primary (1) MEMORANDUM OF LEASE AGREEMENT:

Memorandum of Lease Agreement (UPRR 1998-A) between SCL Sky Co., Ltd., as Lessor, 7-1, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, 261 Japan Attention: Representative Director, and Union Pacific Railroad Company, as Lessee, 1717 Main Street, Suite 5900, Dallas, Texas 75201-4605, dated January 29, 1998, covering diesel electric locomotives bearing the road numbers listed in the Schedule thereto.

A (2) MEMORANDUM OF MORTGAGE AND SECURITY AGREEMENT:

Memorandum of Mortgage and Security Agreement (UPRR 1998-A) between SCL Sky Co., Ltd., as Borrower, 7-1, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, 261 Japan Attention: Representative Director, and Harris Trust and Savings Bank, as Security Trustee, 311 West Monroe Street, Chicago, Illinois 60690, dated January 29, 1998, covering the obligations of the Borrower and the Lessee relating to diesel electric locomotives bearing the road numbers listed in the Schedule thereto.

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B (3) MEMORANDUM OF LEASE SUPPLEMENT NO. 1:

Memorandum of Lease Supplement No. 1 (UPRR 1998-A) between SCL Sky Co., Ltd., as Lessor, 7-1, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, 261 Japan Attention: Representative Director, and Union Pacific Railroad Company, as Lessee, 1717 Main Street, Suite 5900, Dallas, Texas 75201-4605, dated January 29, 1998, covering diesel electric locomotives bearing the road numbers listed in the Schedule thereto. Memorandum of Lease Supplement No. 1 is related to the Memorandum of Lease Agreement between the Lessor and the Lessee, dated January 29, 1998, which is filed concurrently herewith.

C (4) MEMORANDUM OF MORTGAGE SUPPLEMENT NO. 1:

Memorandum of Mortgage Supplement No. 1 (UPRR 1998-A) between SCL Sky Co., Ltd., as Borrower, 7-1, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, 261 Japan Attention: Representative Director, and Harris Trust and Savings Bank, as Security Trustee, 311 West Monroe Street, Chicago, Illinois 60690, dated January 29, 1998, covering the obligations of the Borrower and the Lessee relating to diesel electric locomotives bearing road numbers listed in the Schedule thereto. The Memorandum of Mortgage Supplement No. 1 is related to the Memorandum of Mortgage and Security Agreement between the Borrower and the Security Trustee, dated January 29, 1998, which is filed concurrently herewith.

E (5) MEMORANDUM OF DOLLAR ACCOUNT PLEDGE AGREEMENT:

Memorandum of Dollar Account Pledge Agreement (UPRR 1998-A) between Kreditanstalt für Wiederaufbau, as Agent, Palmengartenstrasse 5-9, 60325 Frankfurt am Main, Germany, and SCL Sky Co., Ltd., as Borrower, 7-1, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, 261 Japan Attention: Representative Director, dated January 29, 1998, relating to the grant by the Borrower to the Agent of a security interest in the Borrower's right, title and interest in and to the Dollar Account described in the Dollar Account Pledge Agreement, dated January 14, 1998, between the Agent and the Borrower.

If you have any questions or need further information, please do not hesitate to contact the undersigned (312-845-3892).

Sincerely,

CHAPMAN AND CUTLER

By Karl T. Williams
Karl T. Williams

KTW/wp
Enclosures

Law Offices of
CHAPMAN AND CUTLER

EXHIBIT A

UNITS

EQUIPMENT	QUANTITY	ROAD NUMBERS
General Motors Corporation (Electro-Motive Division) Model SD9043MAC Diesel Electric Locomotives	20	8179 through 8183, inclusive, 8185 through 8190, inclusive, 8192, 8194, 8196 through 8201, inclusive, and 8204

JAN 28 '98

11-10AM

**MEMORANDUM OF MORTGAGE AND SECURITY AGREEMENT
(UPRR 1998-A)**

Memorandum of Mortgage and Security Agreement, made and entered into on January 29, 1998 by and between Harris Trust and Savings Bank, an Illinois banking corporation, as security trustee ("*Security Trustee*"), and SCL Sky Co., Ltd., a Japanese corporation ("*Borrower*").

WITNESSETH:

The undersigned have entered into that certain Mortgage and Security Agreement (UPRR 1998-A) (the "*Mortgage*"), dated January 14, 1998, by which the Borrower has granted a security interest in certain locomotives bearing road numbers as listed on Exhibit A attached hereto to the Security Trustee in order to secure the Borrower's performance of its obligations as described in the Loan Agreement (UPRR 1998-A), dated January 14, 1998, between the Borrower and Kreditanstalt für Wiederaufbau, and in the Mortgage.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

HARRIS TRUST AND SAVINGS BANK

By 
Name: J. BARTOLINI
Title: VICE PRESIDENT

Executed on this 13th day of January, 1998.

SCL SKY CO., LTD.

By _____
Name: Kathryn A. Kapusta
Title: Attorney-in-Fact

Executed on this ____ day of January, 1998.

**MEMORANDUM OF MORTGAGE AND SECURITY AGREEMENT
(UPRR 1998-A)**

Memorandum of Mortgage and Security Agreement, made and entered into on January 29, 1998 by and between Harris Trust and Savings Bank, an Illinois banking corporation, as security trustee ("*Security Trustee*"), and SCL Sky Co., Ltd., a Japanese corporation ("*Borrower*").

WITNESSETH:

The undersigned have entered into that certain Mortgage and Security Agreement (UPRR 1998-A) (the "*Mortgage*"), dated January 14, 1998, by which the Borrower has granted a security interest in certain locomotives bearing road numbers as listed on Exhibit A attached hereto to the Security Trustee in order to secure the Borrower's performance of its obligations as described in the Loan Agreement (UPRR 1998-A), dated January 14, 1998, between the Borrower and Kreditanstalt für Wiederaufbau, and in the Mortgage.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

HARRIS TRUST AND SAVINGS BANK

By _____
Name:
Title:

Executed on this ____ day of January, 1998.

SCL SKY CO., LTD.

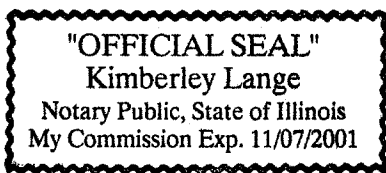
By Kathryn A. Kapusta
Name: Kathryn A. Kapusta
Title: Attorney-in-Fact

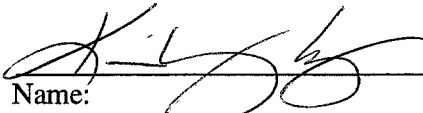
Executed on this 15th day of January, 1998.

STATE OF ILLINOIS)
) SS.:
COUNTY OF COOK)

On this, the 13th day of January, 1998, before me, a Notary Public in and for said County and State, personally appeared J. BARTOLINI, who being by me duly sworn, says that (s)he is the VICE PRESIDENT of HARRIS TRUST AND SAVINGS BANK, that said instrument was signed on January 13, 1998 on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.




Name: _____
Notary Public
My Commission Expires: _____
Residing in _____

STATE OF NEW YORK)
) SS.:
COUNTY OF _____)

On this, the _____ day of January, 1998, before me, a Notary Public in and for said County and State, personally appeared Kathryn A. Kapusta, who being by me duly sworn, says that she is the Attorney-in-Fact of SCL SKY CO., LTD., that said instrument was signed on January __, 1998 on behalf of said corporation by authority of its Board of Directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name: _____
Notary Public
My Commission Expires: _____
Residing in _____

STATE OF ILLINOIS)
) SS.:
COUNTY OF COOK)

On this, the ____ day of January, 1998, before me, a Notary Public in and for said County and State, personally appeared _____, who being by me duly sworn, says that (s)he is the _____ of HARRIS TRUST AND SAVINGS BANK, that said instrument was signed on January __, 1998 on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name:
Notary Public
My Commission Expires:
Residing in _____

Pennsylvania
STATE OF NEW YORK)
COUNTY OF *Philadelphia*) SS.:

On this, the 15th day of January, 1998, before me, a Notary Public in and for said County and State, personally appeared Kathryn A. Kapusta, who being by me duly sworn, says that she is the Attorney-in-Fact of SCL SKY CO., LTD., that said instrument was signed on January 15, 1998 on behalf of said corporation by authority of its Board of Directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Geraldine J. O'Neill
Name:
Notary Public
My Commission Expires
Residing in _____

Notarial Seal
Geraldine J. O'Neill, Notary Public
Philadelphia, Philadelphia County
My Commission Expires May 11, 2000
Member, Pennsylvania Association of Notaries

EXHIBIT A

UNITS

EQUIPMENT	QUANTITY	ROAD NUMBERS
General Motors Corporation (Electro-Motive Division) Model SD9043MAC Diesel Electric Locomotives	20	8179 through 8183, inclusive, 8185 through 8190, inclusive, 8192, 8194, 8196 through 8201, inclusive, and 8204